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DETAILED ACTION

Examiner's Amendment

An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this Examiner's Amendment was given in a telephone interview with Jonathan Berschadsky (Reg. No. 46,551) on 17 March 2009.

This application has been amended as follows:

IN THE CLAIMS

Cancel claim 8 – 14 and 20.

Replace claim 1, 5 – 7, 15 – 19 and 21 as follows.

1. (Currently Amended) A method for securing a transaction utilizing a proximity integrated circuit (PIC) transaction device and a ~~terminal~~ merchant system comprising:

determining a first ~~terminal~~ merchant action analysis result, at the ~~terminal~~ merchant system, based at least in part on one of an authentication of the PIC transaction device using Offline Data Authentication (ODA), a transaction process restriction, and a merchant risk management factor, the first ~~terminal~~ merchant action analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;

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requesting, by the merchant system, an application cryptogram from the PIC transaction device, the application cryptogram being one of a cryptogram for approving the transaction offline, a cryptogram for approving the transaction online, and a cryptogram for denying the transaction based on the first merchant action analysis result;

determining a first ~~[[PIC]]~~ card action analysis result, at the PIC transaction device, the first ~~[[PIC]]~~ card action analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;

transmitting, by the PIC transaction device, the first card action analysis result to the merchant system, wherein the first card action analysis result includes the requested application cryptogram;

requesting, by the merchant system, based on at least one of the first merchant action analysis result and the first card action analysis result, an authorization response from a PIC issuer system; and

if the ~~terminal~~ merchant system receives ~~[[a]] the PIC issuer's response~~ authorization response from the PIC issuer system ~~during online authorization~~, determining a ~~second terminal analysis result~~, at the ~~terminal~~ merchant system, based at least in part on a predetermined rule and at least one of the first ~~terminal~~ merchant action analysis result and the first ~~[[PIC]]~~ card action analysis result, ~~the second terminal analysis result indicating at least one of approving whether to approve the transaction offline and denying or deny the transaction offline.~~

5. (Currently Amended) A method of claim 4, comprising authenticating a ~~transaction device~~ the PIC issuer system online.

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6. (Currently Amended) A method of claim 5, comprising authorizing the transaction by requesting application data from the PIC transaction device.

7. (Currently Amended) A method of claim 5, comprising receiving a response to a request for ~~transaction device~~ PIC issuer system authentication online, using the response to the request for authorization of the ~~transaction device~~ PIC issuer system as an input to ~~[[the]] a~~ second ~~terminal~~ merchant action analysis result.

8. - 14. (Canceled)

15. (Currently Amended) A system for securing a transaction comprising:
a proximity integrated circuit (PIC) transaction device, the PIC transaction device being operable to:

determine a first ~~[[PIC]]~~ card action analysis result, the first ~~[[PIC]]~~ card action analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction; and

transmit the first card action analysis result to a merchant system, wherein the first card action analysis result includes a requested application cryptogram; and

the a ~~terminal~~ merchant system in communication with the PIC transaction device, the ~~terminal~~ merchant system being operable to:

determine a first ~~terminal~~ merchant action analysis result based at least in part on one of an authentication of the PIC transaction device using Offline Data Authentication (ODA), a transaction process restriction, and a merchant risk management factor, the first

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~~terminal~~ merchant action analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;

request the application cryptogram from the PIC transaction device, the application cryptogram being one of a cryptogram for approving the transaction offline, a cryptogram for approving the transaction online, and a cryptogram for denying the transaction based on the first merchant action analysis result;

request, based on at least one of the first merchant action analysis result and the first card action analysis result, an authorization response from a PIC issuer system;
and

determine ~~a second terminal analysis result~~, if the ~~terminal~~ merchant system receives a ~~PIC issuer's response~~ the authorization response from the PIC issuer system, during online authorization, ~~based at least in part on a predetermined rule and at least one of the first terminal analysis result and the first PIC analysis result, the second terminal analysis result indicating at least one of approving~~ whether to approve the transaction offline and ~~denying or deny~~ the transaction offline based at least in part on a predetermined rule and at least one of the first merchant action analysis result and the first card action analysis result.

16. (Currently Amended) A system of claim 15, wherein ~~[[said]]~~ the PIC transaction device is operable to provide a plurality of application cryptograms ~~applications~~, a plurality of PIC issuer-predetermined transaction processing rules, a PIC issuer-defined dataset for use in performing a~~[[n]]~~ PIC issuer-defined risk management analysis, and a plurality of transaction disposition cryptograms in response to a command dataset for use in communicating with ~~[[said]]~~ the PIC transaction device.

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17. (Currently Amended) A system of claim 15, wherein ~~said terminal~~ the merchant system is operable to generate a merchant transaction disposition in accordance with a merchant risk management analysis performed by a merchant risk management application.

18. (Currently Amended) A system of claim 17, wherein ~~said terminal~~ the merchant system is operable to authenticate the PIC transaction device in response to receipt of at least one of the requested application cryptogram, ~~a PIC transaction device cryptogram application~~, a PIC issuer-predetermined transaction processing rule, a PIC issuer-defined dataset for use in performing a[[n]] PIC issuer-defined risk management analysis, [[and]] a transaction disposition cryptogram, and a merchant risk management analysis.

19. (Currently Amended) A system of claim 18, wherein ~~said terminal~~ the merchant system is operable to authorize the transaction in response to receipt of at least one of the requested application cryptogram, ~~a PIC transaction device cryptogram application~~, a PIC issuer-predetermined transaction processing rule, a PIC issuer-defined dataset for use in performing a[[n]] PIC issuer-defined risk management analysis, a[[n]] PIC issuer-provided authentication cryptogram, [[and]] a transaction disposition cryptogram, and a merchant risk management analysis.

20. (Canceled)

21. (Currently Amended) A computer-readable storage medium having stored thereon sequences of instructions, the sequences of instructions including instructions which when executed by a computer system cause[[s]] the computer system to perform:

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determining a first ~~terminal~~ merchant action analysis result, at a ~~terminal~~ merchant system, based at least in part on one of an authentication of a proximity integrated circuit (PIC) transaction device using Offline Data Authentication (ODA), a transaction process restriction, and a merchant risk management factor, the first ~~terminal~~ merchant action analysis result indicating at least one of approving ~~[[the]]~~ a transaction offline, approving the transaction online, and denying the transaction;

requesting, by the merchant system, an application cryptogram from the PIC transaction device, the application cryptogram being one of a cryptogram for approving the transaction offline, a cryptogram for approving the transaction online, and a cryptogram for denying the transaction based on the first merchant action analysis result;

determining a first ~~[[PIC]]~~ card action analysis result, at the PIC transaction device, the first ~~[[PIC]]~~ card action analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;

transmitting, by the PIC transaction device, the first card action analysis result to the merchant system, wherein the first card action analysis result includes the requested application cryptogram;

requesting, by the merchant system, based on at least one of the first merchant action analysis result and the first card action analysis result, an authorization response from a PIC issuer system; and

if the ~~terminal~~ merchant system receives a ~~PIC issuer's response~~ the authorization response from the PIC issuer system ~~during online authorization~~, determining a ~~second terminal analysis result~~, at the ~~terminal~~ merchant system, based at least in part on a predetermined rule and at least one of the first ~~terminal~~ merchant action analysis result and the first ~~[[PIC]]~~ card action analysis result, ~~the second terminal analysis result indicating at least one~~

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~~of approving whether to approve~~ the transaction offline ~~and denying or deny~~ the transaction offline.

Allowable Subject Matter

Claims 1 – 7, 15 – 19 and 21 are allowed.

The following is an examiner's statement of reasons for allowance:

The above mentioned claims are allowable over prior arts because the CPA (Cited Prior Art) of record fails to teach or render obvious the claimed limitations in combination with the specific added limitations recited in claims 1, 15 and 21 (& associated dependent claims).

The present invention is directed to a method for securing a transaction utilizing a proximity integrated circuit (PIC) transaction device and a merchant system. No singular art disclosing, nor motivation to combine has been found of requesting, by the merchant system, an application cryptogram from the PIC transaction device, the application cryptogram being one of a cryptogram for approving the transaction offline, a cryptogram for approving the transaction online, and a cryptogram for denying the transaction based on the first merchant action analysis result, and transmitting, by the PIC transaction device, the first card action analysis result to the merchant system, wherein the first card action analysis result includes the requested application cryptogram; and if the merchant system receives the authorization response from the PIC issuer system, determining, at the merchant system, based at least in part on a predetermined rule and at least one of the first merchant action analysis result and the first card action analysis result, whether to approve the transaction offline or deny the transaction offline.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to LONGBIT CHAI whose telephone number is (571)272-3788. The examiner can normally be reached on Monday-Friday 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ayaz R. Sheikh can be reached on 571-272-3795. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Longbit Chai/

Primary Patent Examiner
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03/18/2009